

# December 2025 Employment Analysis

(Embargoed until 9:30 am Thursday, January 22, 2026)

## Over-the-Month Job Change Overview

- Minnesota's unemployment rate increased one-tenth of a percentage point to 4.1% in December 2025. Nationally the unemployment rate ticked down one-tenth of a percentage point to 4.4% over the month.
- Minnesota's labor force increased by 2,117 people over the month to 3,170,051 people. The number of employed decreased by 3,403 workers, and the number of unemployed increased by 5,520 people. The labor force participation rate stayed at 68.2% over the month.
- Minnesota's job growth was flat over-the-month on a seasonally adjusted basis, literally 0.0%. The private sector lost 1,700 jobs (0.1%) while the Local Government subsector gained 1,700 jobs. The U.S. total nonfarm employment increased by 50,000 jobs, or 0.0%. The U.S. private sector gained 37,000 jobs, also 0.0%.
- Nine supersectors in Minnesota gained jobs on a seasonally adjusted basis since the prior month:
  - Professional & Business Services gained 3,700 jobs, up 1.0%
  - Manufacturing gained 2,200 jobs, up 0.7%
  - Government gained 1,700 jobs, up 0.4%
  - Educational and Health Services gained 900 jobs, up 0.1%
  - Other Services gained 800 jobs, up 0.7%
  - Leisure and Hospitality gained 700 jobs, up 0.3%
  - Financial Activities gained 200 jobs, up 0.1%
  - Mining and Logging gained 100 jobs, up 1.5%
- The Information supersector did not gain or lose jobs over the month.
- Two supersectors lost jobs over the month:
  - Construction lost 9,900 jobs, down 6.6%
  - Trade, Transportation and Utilities lost 400 jobs, down 0.1%
- Calculating seasonally adjusted 2-month job change:
  - Minnesota gained 11,300 jobs in August-October, up 0.37%; the U.S. declined 0.04%.
  - Minnesota gained 8,100 jobs in September-November, up 0.26%; the U.S. declined 0.07%.
  - Minnesota gained 3,300 jobs in October-December, up 0.11%; the U.S. grew 0.07%.

## Over-the-Year Job Change Overview

- Minnesota gained 37,143 payroll jobs, up 1.2%, over the year. The private sector gained 37,315 jobs, up 1.4% over the year. Eight supersectors gained jobs, three lost jobs.

- U.S. employment grew 0.3% over the year with the private sector up 0.5%. Five supersectors gained jobs, six lost jobs.
- Eight supersectors posted positive annual growth in Minnesota:
  - Education and Health Services led with 21,492 jobs gained, up 3.6% for Minnesota, while this supersector grew 2.6% across the U.S. In Minnesota, growth was propelled by the Health Care & Social Assistance subsector (4.9%). The Educational Services subsector declined 5.7%.
  - Manufacturing gained 5,838 jobs in Minnesota, up 1.8%. Both Non-Durable Goods Manufacturing subsector and Durable Goods Manufacturing subsector grew, at 2.1% and 1.7% respectively. The U.S. Manufacturing supersector declined 0.6%.
  - Professional & Business Services gained 3,995 jobs, up 1.1% in Minnesota. The subsector Professional, Scientific, and Technical Services grew 1.0% over the year. The subsector Management of Companies and Enterprises grew 0.1%; and the subsector Administrative and Support and Waste Management and Remediation Services grew 1.9%. In the U.S., this supersector declined 0.4%.
  - Leisure and Hospitality gained 3,255 jobs, up 1.3%. The Arts, Entertainment, and Recreation subsector grew 0.6% while the bigger subsector Accommodation and Food Services grew 1.4%. This supersector grew 1.1% across the U.S.
  - Trade, Transportation, and Utilities gained 3,111 jobs, or 0.6%. The Transportation, Warehousing, and Utilities subsector grew 2.5%. The Retail Trade subsector grew 1.9%. The Wholesale Trade subsector declined 3.9%. Nationally, this supersector declined 0.3%.
  - Other Services gained 1,928 jobs, up 1.7% in Minnesota. Growth was spread across all subsectors. Nationally, this supersector grew 1.0%.
  - Construction gained 1,689 jobs, up 1.3%. The subsector Construction of Buildings grew 3.4% and the subsector Specialty Trade Contractors grew 1.2%. The subsector Heavy and Civil Engineering Construction declined 2.2%. The U.S. Construction supersector grew 0.1%.
  - Mining and Logging gained 127 jobs, up 2.0% in Minnesota. This supersector declined 2.7% on the national level over-the-year.
- Three supersectors lost jobs over the year in Minnesota:
  - Financial Activities lost 2,534 jobs over the year, down 1.3%. The Finance and Insurance subsector declined 1.7%. The smaller subsector Real Estate and Rental Leasing declined 0.2%. Nationally, this supersector grew 0.4%.
  - Information lost 1,786 jobs, down 4.1%. The Telecommunications subsector declined 4.9% and the Publishing subsector declined 2.3%. The U.S. Information supersector declined 1.1% over the year.
  - The Government supersector lost 172 jobs, or 0.0%. The Federal Government subsector declined 6.0%. The State Government subsector grew 0.4% and the Local Government subsector grew 0.5%. Across the U.S., the Government supersector declined 0.7%.

December Over the Year (OTY) Employment Growth by Industry Sector Not Seasonally Adjusted			
Industry Supersector	MN OTY Job Change	MN OTY Growth Rate (%)	US OTY Growth Rate (%)
Total	37,143	1.2	0.3
Private	37,315	1.4	0.5
Mining & Logging	127	2.0	-2.7
Construction	1,689	1.3	0.1
Manufacturing	5,838	1.8	-0.6
Trade, Transportation & Utilities	3,311	0.6	-0.3
Information	-1,786	-4.1	-1.1
Financial Activities	-2,534	-1.3	0.4
Professional & Business Services	3,995	1.1	-0.4
Education & Health Services	21,492	3.6	2.6
Leisure & Hospitality	3,255	1.3	1.1
Other Services	1,928	1.7	1.0
Government	-172	0.0	-0.7

## Wage and Hour Data

- Over the month, average hourly wages for all private sector workers increased 48 cents to \$40.04 in December 2025. Over the year average hourly earnings increased \$1.40, up 3.6%.
  - For the U.S., private sector wages decreased 10 cents over the month and grew 3.1% over the year.
  - The CPI inflation index for all urban consumers rose 2.7% over the year in December.
- At 32.3 hours per week, Minnesota’s December average work week decreased half an hour over-the-month. Over-the-year it shortened by six-tenths of an hour.
  - Nationally, the average work week decreased four-tenths of an hour to 34.2 hours over-the-month. Over-the-year, it shortened by four-tenths of an hour as well.

## Unemployment Data

- Over the month, the unemployment rate increased one-tenth of a percentage point to 4.1% on a seasonally adjusted basis. The number of employed decreased by 3,403 workers, and the number of unemployed increased 5,520. The employment to population ratio ticked down one-tenth of a percentage point to 65.4% since the prior month.
- The labor force increased 2,117 people over the month, totaling 3,170,051 people in December. The labor force participation rate remained at 68.2%. Minnesota’s labor force is now 46,182 people more than in February 2020 when the participation rate was at 70%.

- Nationally, the unemployment rate ticked down one-tenth of a percentage point to 4.4% over the month. The employment to population ratio ticked up one-tenth of a percentage point to 59.7%. The labor force participation rate dropped one-tenth of a percentage point to 62.4%.

## Industry Details

**Mining and Logging:** Employment in Mining and Logging was up by 100 jobs, or 1.5%, over the month (OTM) in December, on a seasonally adjusted basis. The supersector has held steady or added jobs in every month since May. On an annual basis, Mining and Logging employers added 127 jobs, or 2%, which was an improvement over November's 1.1% over-the-year (OTY) growth. This was a stronger performance than the supersector posted nationwide, as Mining and Logging employment was off by 2.7% nationally on the year in December.

**Construction:** Construction employers lost 9,900 jobs (6.3%) OTM in December. The supersector had posted growth of better than 2% in each of the previous two months, suggesting a construction season that extended later than usual into the winter months in 2025. Over the year, employment in Construction was up by 1,689 jobs, or 1.3%. This was stronger than the nationwide growth of 0.1%. Construction of Buildings was up 1,069 jobs (3.4%) and Specialty Trade Contractors added 999 jobs (1.2%). The only published component sectors to lose jobs on the year was Heavy and Civil Engineering, which was off by 379 jobs, or 2.2%.

**Manufacturing:** Employment in Manufacturing was up by 2,200 jobs, or 0.7%, OTM in December. It was the second consecutive month of positive growth for Minnesota manufacturers. Both component sectors added jobs, with Durable Goods Manufacturing up 1,000 (0.5%) and Non-Durable Goods Manufacturing up 1,200 (1%). On an annual basis, employment in Manufacturing was up by 5,838 jobs, or 1.8%, which was an improvement over November's 0.7% growth, and which stood in contrast to the national decline of 0.6% in the supersector. Durable Goods Manufacturing added 3,436 jobs, or 1.7%. Non-Durable Goods Manufacturing was up by 2,403 jobs, or 2.1%. The only component sector to lose jobs on the year was Computer and Electronic Product Manufacturing, which was off by 105 jobs, or 0.2%.

**Trade, Transportation, and Utilities:** Employment in Trade, Transportation and Utilities was down by 400 jobs, or 0.1%, OTM in December, on a seasonally adjusted basis. A loss of 1,200 jobs, or 0.9%, in Wholesale Trade overcame positive growth in the other two component sectors. Retail Trade added 300 jobs (0.1%) and Transportation, Warehousing and Utilities added 500 jobs (0.4%). Over the year, employment in Trade, Transportation and Utilities was up by 3,311 jobs, or 0.6%. This was better than the national loss of 0.3%. Retail Trade added 5,501 jobs, or 1.9%, and Transportation, Warehousing and Utilities added 3,109 jobs, or 2.5%. Wholesale Trade employers lost 5,299 jobs, or 3.9%.

**Information:** Information employment was flat in December, holding steady at a seasonally adjusted 41,300 jobs. The supersector has not posted positive monthly growth since February. Over the year, Information employers have lost 1,786 jobs, or 4.1%. This was a steeper decline than the national 1.1% loss. The two published component sectors lost 416 jobs each, as Telecommunications employment was down by 4.9%, and Publishing Industries employment was down by 2.3%.

**Financial Activities:** Employment in Financial Activities was up by 200 jobs, or 0.1% in December, after losing 1,200 jobs in November. Both of the two published component sectors added 100 jobs, as Real Estate and Rental and Leasing employment was up 0.2%, and Finance and Insurance employment was up 0.1%. On an annual basis, employment in Financial Activities was down by 2,534 jobs, or 1.3%. Nationally, the supersector's employment was up by 0.4%. Finance and Insurance employment in Minnesota was down by 2,609 jobs (1.7%) due in part to the loss of 1,245 jobs, or 2.7%, in Depository Credit Intermediation Including Monetary Authorities. Real Estate and Rental and Leasing employment was up by 75 jobs (0.2%).

**Professional and Business Services:** Employers in the Professional and Business Services supersector added 3,700 jobs, or 1% OTM in December on a seasonally adjusted basis. The growth was driven primarily by Administrative and Support and Waste Management and Remediation Services, which added 2,900 jobs, or 2.4%. Professional, Scientific and Technical Services added 900 jobs (0.5%) while Management of Companies and Enterprises lost 100 jobs (0.1%). Over the year, employment in Professional and Business Services was up by 3,995 jobs, or 1.1%, while at a national level the supersector's employment was down by 0.4%. Each of the three major component sectors added jobs on the year. Professional, Scientific and Technical Services added 1,676 jobs (1%), Management of Companies added 67 jobs (0.1%) and Administrative and Support and Waste Management and Remediation Services added 2,252 jobs, or 1.9%, despite the loss of 1,384 jobs (3.1%) in the component Employment Services sector.

**Education and Health Services:** Education and Health Services employment was up by 900 jobs, or 0.1%, OTM in December. The supersector has posted positive seasonally adjusted growth for six consecutive months dating back to July. Educational Services added 300 jobs (0.4%) in December, and Health Care and Social Assistance added 600 jobs (0.1%). Over the year, employment in the supersector was up by 21,492 jobs, or 3.6%. It was the largest real or proportional job growth of any supersector in the state. The growth was driven entirely by Health Care and Social Assistance, which was up by 25,799 jobs (4.9%) while Educational Services shed 4,307 jobs (5.7%).

**Leisure and Hospitality:** Employment in Leisure and Hospitality was up by 700 seasonally adjusted jobs, or 0.3%, OTM in December. Accommodation and Food Services added 1,800 jobs (0.8%), while Arts, Entertainment and Recreation employers shed 1,100 jobs, or 2.2%. Over the year, employment in Leisure and Hospitality was up by 3,255 jobs, or 1.3%. This outpaced the national growth of 1.1%, and was an improvement over November's 0.2% annual growth. Minnesota's growth was driven primarily by Accommodation and Food Services employment, which was up by 3,000, or 1.4%. Arts, Entertainment and Recreation added 255 jobs, or 0.6%.

**Other Services:** Employment in Other Services was up by 800 (0.7%) OTM in December. It was the fifth consecutive month of positive growth for the supersector dating back to August. During that time it added 3,000 jobs. Over the year, employment in Other Services was up by 1,928 jobs, or 1.7%. This was higher than the national OTY growth of 1.0%. All three published component sectors added jobs in Minnesota. Repair and Maintenance was up 404 jobs (1.7%), Personal and Laundry Services was up by 644 jobs (2.4%) and Religious, Grantmaking, Civic, Professional and Similar Organizations was up by 880 jobs (1.4%).

**Government:** Government employers added 1,700 jobs, or 0.4%, OTM in December on a seasonally adjusted basis. The growth came entirely at the Local Government level, where employers added 1,700 jobs, or 0.6%. Employment at both the State and Federal levels was flat in December, holding at 107,000 jobs and 31,700 jobs, respectively. Over the year, Government employment growth was mostly flat, losing 172 jobs, or 0.0%. Federal employment was down 2,030 (6%) while State employment was up 394 jobs (0.4%) and Local was up 1,464 jobs (0.5%), with the growth at both levels concentrated into the non-educational component sectors. Nationally, Government employment was down by 0.7% on the year.

## Over-the-Year Job Change by MSAs

December 2025 data released by DEED, not seasonally adjusted

Metropolitan Statistical Area	OTY Employment Change (#, NSA)	OTY Employment Change (% , NSA)
Minneapolis-St. Paul MN-WI MSA	11,070	0.6
Duluth-Superior MN-WI MSA	8	0.0
Rochester MSA	5,637	4.3
St. Cloud MSA	-452	-0.4
Mankato MSA	1,758	3.0
Fargo-Moorhead ND-MN MSA (Nov)	1,200	0.8
Grand Forks-East Grand Forks ND-MN MSA (Nov)	500	0.9
La Crosse-Onalaska WI-MN (Nov)	700	0.8

**Labor Market Information Office**  
**MN Department of Employment and Economic Development**  
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